GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1851
ANSWERED ON:11.12.2008
SETTING UP OF STEEL PLANTS
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Will the Minister of STEEL be pleased to state:

(a) the target set by the Government for the production of steel during the Eleventh Five Year Plan;

(b) whether the Government intends to augment the production capacity of existing plants and set up new plants in the country particularly in Uttar Pradesh;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

THE MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL(SHRI RAM VILAS PASWAN)

(a) As per the Eleventh Five Year Plan (2007-2012) document, the estimated production of crude steel in the country is likely to be around 80 million tonnes by the end of Plan period i.e. by 2011-12.

(b)to(d): In a de-regulated, liberalized economy, production of steel is influenced primarily by demand conditions (both local and global markets) and also by availability of raw materials to achieve the required level of production. Decisions related to production are taken essentiality by the steel producing units. The Government in such a market set-up has the role of a facilitator only − it provides the overall policy environment to promote industry growth. In order to promote the domestic steel industry and to meet the projected demand, the Government has constituted an Inter-Ministerial Group (IMG), under the chairmanship of Secretary(Steel), to monitor and coordinate the issues concerning major steel investments in the country related to infrastructure, raw material supply, environmental clearance and other resource constraints.

Government has no control on the augmentation of production capacities of steel plants or setting up of new plants except in public sector companies viz. Steel Authority of India Ltd. (SAIL) and Rashtriya Ispat Nigam Ltd. (RINL). Both SAIL and RINL do not have any steel plant in Uttar Pradesh.

Leading domestic steel producers, both in public and private sector, have announced plans to expand their existing capacities through both Greenfield and Brownfield ventures. As per the latest estimates, the domestic production of steel is likely to cross the 80 million tonnes mark much before and reach a level of 124.06 million tonnes by 2011-12. The break-up of the proposed production capacity expansions both in major public and private sector plants by the end of the 11th Five Year Plan is given in the table in the Annexure.